

SENATE JOURNAL

**FOURTH SPECIAL SESSION of the
FIFTY–SIXTH LEGISLATURE**

September 19, 2006

Pursuant to the proclamation of His Excellency, Governor Jon M. Huntsman, Jr, the Senate of the Fifty–Sixth Legislature of the State of Utah met in the Senate Chamber of the State Capitol Complex in a Special Session at 2:00 p.m. on Tuesday, September 19, 2006.

The Senate was called to order at 2:25 p.m., with President John Valentine presiding.

Prayer – Senator Parley Hellewell

Pledge of Allegiance – Senator Pete Knudson

Roll Call – All Senators present.

* * *

Annette B. Moore read the following Proclamation and Certification:

PROCLAMATION

WHEREAS, since the adjournment of the 2006 General Session of the Fifty–Sixth Legislature of the State of Utah, matters have arisen which require immediate legislative attention; and

WHEREAS, Article VII, Section 6 of the Constitution of the State of Utah provides that the Governor may, by proclamation, convene the Legislature into a Special Session;

NOW, THEREFORE, I, JON M. HUNTSMAN, JR., Governor of the State of Utah by virtue of the authority vested in me by the Constitution and the Laws of the State of Utah, do by this Proclamation call the Fifty–Sixth Legislature of the State of Utah into a Fourth Special Session at the State Capitol Complex in Salt Lake City, Utah, on the 19th day of September 2006, at 2:00 p.m. for the following purposes:

1. To consider state and local option funding for transportation; and

2. To consider legislation amending the individual income tax system by modifying tax brackets, modifying the additions to and subtractions from income, and allowing an individual to elect between a single rate tax system and the existing graduated tax system.

IN TESTIMONY WHEREOF,
I have hereunto set my hand and
caused to be affixed the Great
Seal of the State of Utah. Done
at the State Capitol Complex in
Salt Lake City, Utah this 15th
day of September 2006.

Jon M. Huntsman, Jr.
Governor
Gary R. Herbert
Lieutenant Governor

I, GARY R. HERBERT, LIEUTENANT GOVERNOR OF THE STATE OF UTAH, DO HEREBY CERTIFY THAT the attached copy of a proclamation issued on the 15th day of September, 2006, and signed by Governor Jon M. Huntsman, Jr., is a true and correct copy of the original Proclamation calling the Fifty-Sixth Legislature of the State of Utah into a Fourth Special Session at the Capitol Complex at Salt Lake City, Utah, on the 19th day of September, 2006, at 2:00 p.m., for the purposes named in the Proclamation.

I FURTHER TESTIFY THAT the membership of the Utah State Senate has not changed from that Certification of 2006 General Session with the following exception.

NINTH DISTRICT: County of Salt Lake

Wayne Niederhauser

IN TESTIMONY WHEREOF,
I have hereunto set my hand and
caused to be affixed the Great
Seal of the State of Utah at Salt
Lake City, this 15 day of
September, 2006.

Gary R. Herbert
Lieutenant Governor

* * *

On motion of Senator Waddoups, the Senate voted to adopt the Senate Rules of the 2006 General Session of the Fifty–Sixth Legislature as the rules for the Fourth Special Session.

President Valentine appointed a committee comprised of Senators Howard Stephenson, Wayne Niederhauser and Brent Goodfellow to notify Governor Jon M. Huntsman, Jr. that the Senate is convened in the Fourth Special Session in accordance with his proclamation and is organized and ready to receive any communication from him.

President Valentine appointed a committee comprised of Senator Curtis Bramble, Scott Jenkins, and Scott McCoy to notify the House of Representatives that the Senate is organized and ready to do business.

Senator Bramble reported that the House has been notified.

Senator Stephenson reported that the Governor has been notified.

On motion of Senator Waddoups, and as provided by the Utah State Constitution and the Joint Rules of the Legislature, the Senate voted to suspend the reading of the titles of bills and resolutions on the Senate calendar as they are read for the first time and introduced and considered on Second Reading, Third Reading, and Consent Calendars. This suspension applies to all bills and resolutions introduced during this special legislative session, except that any senator may request the reading of the long title, short title, or both of any House of Senate bill or resolution.

INTRODUCTION OF BILLS

S.B. 4001, Income Tax Amendments (C. Bramble), read the first time by short title.

* * *

On motion of Senator Knudson, under suspension of the rules, **S.B. 4001** was placed on the Second Reading Calendar for immediate consideration.

S.B. 4001, INCOME TAX AMENDMENTS, was read the second time. Senator Bramble explained the bill. Senators Thomas, Dmitrich, Knudson, Hillyard, Stephenson, and Hale commented.

Senator Dmitrich proposed the following amendment:

1. Page 1, Lines 12 through 14

12 This bill:

13 ► modifies tax brackets for taxable years beginning on or after January 1, 2006;

► for taxable years beginning on or after January 1, 2009, requires individual income tax brackets to be adjusted for changes in the consumer price index;

14 ► modifies additions to and subtractions from federal taxable income for purposes of

2. Page 9, Line 250 through Page 10, Line 287:

250 Section 2. Section 59–10–104 is amended to read:

251 59–10–104. Tax basis — Rates — Exemption.

252 (1) Except as provided in Subsection {-(4)-} (5) or Part 12, Single Rate Individual Income Tax

253 Act, for taxable years beginning on or after January 1, [2001] 2006, a tax is imposed on the

254 state taxable income[, as defined in Section 59–10–112,] of every resident individual as

255 provided in this section.

256 (2) For an individual, other than a husband and wife or head of household required to

257 use the tax table under Subsection (3), the tax under this section is imposed in accordance with

258 the following {–table–} income brackets :

259 If the state taxable income is: The tax is:

260 Less than or equal to [~~\$863~~] \$1,105
2.3% of the state taxable income

261 Greater than [~~\$863~~] \$1,105 but less than
[~~\$20~~] \$25, plus 3.3% of state taxable

262 or equal to [~~\$1,726~~] \$2,208
income greater than [~~\$863~~] \$1,105

263 Greater than [~~\$1,726~~] \$2,208 but less than
[~~\$48~~] \$62, plus 4.2% of state taxable

264 or equal to [~~\$2,588~~] \$3,313
income greater than [~~\$1,726~~] \$2,208

265 Greater than [~~\$2,588~~] \$3,313 but less than
[~~\$85~~] \$108, plus 5.2% of state taxable

266 or equal to [~~\$3,450~~] \$4,416
income greater than [~~\$2,588~~] \$3,313

267 Greater than [~~\$3,450~~] \$4,416 but less than
[~~\$129~~] \$166, plus 6% of state taxable

268 or equal to [~~\$4,313~~] \$5,521
income greater than [~~\$3,450~~] \$4,416

269 Greater than [~~\$4,313~~] \$5,521
[~~\$181~~] \$232, plus 7% of state taxable

270

income greater than [~~\$4,313~~] \$5,521

271 (3) For a husband and wife filing a single return jointly, or a head
of household as

272 defined in Section 2(b), Internal Revenue Code, filing a single
return, the tax under this section

273 is imposed in accordance with the following
{-table-} income brackets :

274 If the state taxable income is:
The tax is:

275 Less than or equal to [~~\$1,726~~] \$2,210
2.3% of the state taxable income

276 Greater than [~~\$1,726~~] \$2,210 but less than
[~~\$40~~] \$51, plus 3.3% of state taxable

277 or equal to [~~\$3,450~~] \$4,416
income greater than [~~\$1,726~~] \$2,210

278 Greater than [~~\$3,450~~] \$4,416 but less than
[~~\$97~~] \$124, plus 4.2% of state taxable

279 or equal to [~~\$5,176~~] \$6,626
income greater than [~~\$3,450~~] \$4,416

280 Greater than [~~\$5,176~~] \$6,626 but less than
[~~\$169~~] \$216, plus 5.2% of state taxable

281 or equal to [~~\$6,900~~] \$8,832
income greater than [~~\$5,176~~] \$6,626

282 Greater than [~~\$6,900~~] \$8,832 but less than
[~~\$259~~] \$331, plus 6% of state taxable

283 or equal to [~~\$8,626~~] \$11,042
income greater than [~~\$6,900~~] \$8,832

284 Greater than [~~\$8,626~~] \$11,042
[~~\$362~~] \$464, plus 7% of state taxable

285

income greater than [~~\$8,626~~] \$11,042

(4) (a) For taxable years beginning on or after January 1, 2009, the commission shall:

(i) make the following adjustments to the income brackets under Subsection (2):

(A) increase or decrease the income brackets under Subsection (2) by a percentage equal to the percentage difference between the consumer price index for the preceding calendar year and the consumer price index for the calendar year 2007; and

(B) after making an increase or decrease under Subsection (4)(a)(i)(A), round the income brackets under Subsection (2) to the nearest whole dollar;

(ii) after making the adjustments described in Subsection (4)(a)(i) to the income brackets under Subsection (2), adjust the income brackets under Subsection (3) so that for each income bracket under Subsection (2) there is a corresponding income bracket under Subsection (3) that is equal to the product of:

(A) each income bracket under Subsection (2); and

(B) two; and

(iii) to the extent necessary to reflect an adjustment under Subsection (4)(a)(i) or (ii):

(A) increase or decrease the amount of tax under Subsection (2) or (3) prior to adding in the portion of the tax calculated as a percentage of state taxable income; and

(B) after making an increase or decrease under Subsection (4)(a)(iii)(A), round the amount of tax under Subsection (2) or (3) to the nearest whole dollar.

(b) The commission may not increase or decrease the tax rate percentages provided in Subsection (2) or (3).

(c) For purposes of Subsection (4)(a)(i), the commission shall calculate the consumer price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

286 {~~-(4)-~~} (5) This section does not apply to a resident individual exempt from taxation under

287 Section 59–10–104.1.

Senator Dmitrich's motion to amend passed on a voice vote.

###

Senator Thomas proposed the following amendment:

1. Page 32, Lines 959 through 963

959 (2) (a) A resident individual that calculates and pays a tax under this section:

960 (i) shall pay for a taxable year an amount equal to the product of:

961 (A) the resident individual's state taxable income for that taxable year; and

962 (B) {~~-5.35%~~ } 4.9% ; and

963 (ii) is exempt from paying the tax imposed by Section 59–10–104.

Senator Thomas' motion to amend failed on the following roll call vote:

Yeas, 10; Nays, 19; Absent, 0.

Voting in the affirmative were: Senators

Buttars	Hatch	Hellewell	Hillyard
Jenkins	Madsen	Peterson	Stephenson
Thomas	Waddoups		

Voting in the negative were: Senators

Arent	Bell	Bramble	Christensen
Davis	Dmitrich	Eastman	Evans
Fife	Goodfellow	Hale	Hickman
Killpack	Knudson	Mayne	McCoy
Niederhauser	Walker	Valentine	

Senators Waddoups, Arent, Peterson, Bell, McCoy, Mayne, Peterson, Hale, and Hickman commented.

On motion of Senator Bramble, under suspension of the rules, **S.B. 4001**, INCOME TAX AMENDMENTS, was considered read the second and third times. Senator Bramble explained the bill. The bill passed on the following roll call:

Yeas, 22; Nays, 7; Absent, 0.

Voting in the affirmative were: Senators

Bell	Bramble	Buttars	Christensen
Dmitrich	Eastman	Evans	Hatch
Hellewell	Hickman	Hillyard	Jenkins
Killpack	Knudson	Madsen	Niederhauser
Peterson	Stephenson	Thomas	Waddoups
Walker	Valentine		

Voting in the negative were: Senators

Arent	Davis	Fife	Goodfellow
Hale	Mayne	McCoy	

S.B. 4001, as amended, was transmitted to the House.

* * *

On motion of Senator Knudson, and at 4:00 p.m., the Senate sauntered.

The Senate was called to order at 4: 50 p.m., with President Pro Tem Knudson presiding.

COMMUNICATIONS FROM THE HOUSE

Mr. President:

September 19, 2006

The House passed, as amended, **H.B. 4001**, COUNTY OPTION FUNDING FOR REGIONALLY SIGNIFICANT TRANSPORTATION INFRASTRUCTURE, by Representative R. Lockhart, and it is transmitted for consideration.

Sandy D. Tenney, Chief Clerk
Communications filed. **H.B. 4001** was read the first time.

* * *

On motion of Senator Eastman, under suspension of the rules, **H.B. 4001** was placed on the Second Reading Calendar for immediate consideration.

* * *

H.B. 4001, COUNTY OPTION FUNDING FOR REGIONALLY SIGNIFICANT TRANSPORTATION INFRASTRUCTURE, was read the second time. Senator Killpack explained the bill.

Senator Thomas proposed the following amendment:

1. Page 2, Line 50 through Page 3, Line 62

50 ~~17-50-322. County funding for a fixed guideway.~~

51 ~~—(1) For purposes of this section, “fixed guideway” means a public transit facility that~~

52 ~~uses and occupies:~~

53 ~~(a) rail for the use of public transit; or~~

54 ~~(b) a separate right-of-way for the use of public transit.~~

55 ~~(2) (a) Except as provided in Subsection (2)(b), a county legislative body may not levy~~

56 ~~a property tax or expend revenues from uniform fees or any tax or fee imposed in lieu of a~~

57 ~~property tax, to purchase, erect, repair, rebuild, maintain, or otherwise fund a fixed guideway.~~

58 ~~(b) Subsection (2)(a) does not apply to a property tax levy imposed by a county for the~~

59 ~~purpose of paying for bonds if:~~

60 ~~(i) before January 1, 2007, the bonds were issued or approved by voters for issuance to~~

61 ~~fund a fixed guideway; and~~

62 ~~(ii) the county does not impose a sales and use tax authorized by Section 59-12-1703.~~

Senators Hillyard, McCoy, Waddoups, Eastman, and Fife commented.

Senator Thomas' motion to amend failed on the following roll call:

Yeas, 12; Nays, 17; Absent, 0.

Voting in the affirmative were: Senators

Arent	Bell	Goodfellow	Hale
Hatch	Hillyard	Madsen	Mayne
McCoy	Stephenson	Thomas	Waddoups

Voting in the negative were: Senators

Bramble	Buttars	Christensen	Davis
Dmitrich	Eastman	Evans	Fife
Hellewell	Hickman	Jenkins	Killpack
Knudson	Niederhauser	Peterson	Walker
Valentine			

Senators Hillyard, Eastman, Hatch, Stephenson, Hale, Bell, Mayne, Waddoups, Jenkins, and Buttars commented.

###

Senator Hatch proposed the following amendment:

1. Page 38, Line 1153:
After "significance" delete "₁" and insert "₂"
2. Page 38, Line 1158:
Delete "or"
3. Page 38, Line 1159:
Delete "₁" and insert "₂" and add "or"
and after line 1159 insert "(v)" and the language on line 1153.

Senator Hatch's motion to amend passed on a voice vote.

###

Senator Hickman proposed the following amendment:

1. Page 41, Lines 1254 through 1257
 1254 (c) (i) Notwithstanding the designated use of revenues in
Subsection (4)(a), of the
 1255 revenues generated by the tax imposed under this section by any
county of the first or second

1256 class, 25% or more shall be expended for the purpose described in Subsection (4)(a)(ii).

(ii) Subsection (4)(c)(i) does not apply if, through the prioritization process described in Section 59-12-1705, a county chooses an airport of regional significance as its primary project or service.

1257 (d) For purposes of this Subsection (4), the revenues a county will receive from a tax

Senator Hickman's motion to amend failed on a voice vote.

#

Senator Bell proposed the following amendment:

1. Page 39, Line 1190:
After "capacity for" delete "transportation of regional significance" and insert "regionally significant transportation facilities"
2. Page 39, Line 1195 and 1196:
After "capacity for" delete "transportation of regional significance" and insert "regionally significant transportation facilities"

Senator Bell's motion to amend passed on a voice vote.

* * *

On motion of Senator Killpack, under suspension of the rules, **H.B. 4001**, COUNTY OPTION FUNDING FOR REGIONALLY SIGNIFICANT TRANSPORTATION INFRASTRUCTURE, was considered read the second and third times and passed on the following roll call:

Yeas, 24; Nays, 5; Absent, 0.

Voting in the affirmative were: Senators

Arent	Bell	Bramble	Buttars
Christensen	Davis	Dmitrich	Eastman
Evans	Fife	Goodfellow	Hale
Hatch	Hellewell	Hickman	Jenkins
Killpack	Knudson	Mayne	McCoy
Niederhauser	Peterson	Walker	Valentine

Voting in the negative were: Senators

Hillyard	Madsen	Stephenson	Thomas
Waddoups			

H.B. 4001, as amended, was returned to the House for further consideration.

* * *

On motion of Senator Eastman, and at 6:40 p.m., the Senate sauntered.

The Senate was called to order at 7:25 p.m., with President Valentine presiding.

COMMUNICATIONS FROM THE HOUSE

Mr. President:

September 19, 2006

The House concurred in the Senate amendments and passed **H.B. 4001**, COUNTY OPTION FUNDING FOR REGIONALLY SIGNIFICANT TRANSPORTATION INFRASTRUCTURE, by Representative R. Lockhart, and it is transmitted for the signature of the President.

Sandy D. Tenney, Chief Clerk

Communications filed. **H.B. 4001**, was signed by the President of the Senate in open session and returned to the House for the signature of the Speaker.

* * *

Mr. President:

September 19, 2006

The House passed **S.B. 4001**, INCOME TAX AMENDMENTS, by Senator C. Bramble, with the following amendments:

1. Page 9, Line 260:
Delete “\$1,105” and insert “\$1,000”
2. Page 9, Line 261:
Delete “\$1,105” and insert “\$1,000” and delete “\$25” and insert “\$23”
3. Page 9, Line 262:
Delete “\$2,208” and insert “\$2,000” and delete “\$1,105” and insert “\$1,000”
4. Page 9, Line 263:
Delete “\$2,208” and insert “\$2,000” and delete “\$62” and insert “\$56”
5. Page 9, Line 264:
Delete “\$3,313” and insert “\$3,000” and delete “\$2,208” and insert “\$2,000”

6. Page 9, Line 265:
Delete "\$3,313" and insert "\$3,000" and delete "\$108" and insert "\$98"
7. Page 9, Line 266:
Delete "\$4,416" and insert "\$4,000" and delete "\$3,313" and insert "\$3,000"
8. Page 9, Line 267:
Delete "\$4,416" and insert "\$4,000" and delete "\$166" and insert "\$150"
9. Page 9, Line 268:
Delete "\$5,521" and insert "\$5,500" and delete "\$4,416" and insert "\$4,000"
10. Page 9, Line 269:
Delete "\$5,521" and insert "\$5,500" and delete "\$232" and insert "\$240" and bracket "7%" and insert "6.95%"
11. Page 9, Line 270:
Delete "\$5,521" and insert "\$5,500"
12. Page 9, Line 275:
Delete "\$2,210" and insert "\$2,000"
13. Page 10, Line 276:
Delete "\$2,210" and insert "\$2,000" and delete "\$51" and insert "\$46"
14. Page 10, Line 277:
Delete "\$4,416" and insert "\$4,000" and delete "\$2,210" and insert "\$2,000"
15. Page 10, Line 278:
Delete "\$4,416" and insert "\$4,000" and delete "\$124" and insert "\$112"
16. Page 10, Line 279:
Delete "\$6,626" and insert "\$6,000" and delete "\$4,416" and insert "\$4,000"
17. Page 10, Line 280:
Delete "\$6,626" and insert "\$6,000" and delete "\$216" and insert "\$196"

18. Page 10, Line 281:
Delete “\$8,832” and insert “\$8,000” and delete “\$6,626” and insert “\$6,000”
19. Page 10, Line 282:
Delete “\$8,832” and insert “\$8,000” and delete “\$331” and insert “\$300”
20. Page 10, Line 283:
Delete “\$11,042” and insert “\$11,000” and delete “\$8,832” and insert “\$8,000”
21. Page 10, Line 284:
Delete “\$11,042” and insert “\$11,000” and delete “\$464” and insert “\$480” and bracket “7%” and insert “6.95%”
22. Page 10, Line 285:
Delete “\$11,042” and insert “\$11,000”

Sandy D. Tenney, Chief Clerk

Communications filed.

On motion of Senator Bramble, the Senate voted to concur in the House amendments to **S.B. 4001**, INCOME TAX AMENDMENTS. The bill, as amended, passed on the following roll call:

Yeas, 23; Nays, 6; Absent, 0.

Voting in the affirmative were: Senators

Bell	Bramble	Buttars	Christensen
Dmitrich	Eastman	Evans	Goodfellow
Hatch	Hellewell	Hickman	Hillyard
Jenkins	Killpack	Knudson	Madsen
Niederhauser	Peterson	Stephenson	Thomas
Waddoups	Walker	Valentine	

Voting in the negative were: Senators

Arent	Davis	Fife	Hale
Mayne	McCoy		

S.B. 4001 was returned to the House for the signature of the Speaker.

* * *

Mr. President:

September 19, 2006

The Speaker of the House has signed **S.B. 4001** , INCOME TAX AMENDMENTS, by Senator C. Bramble, and it is transmitted for the signature of the President.

Sandy D. Tenney, Chief Clerk

S.B. 4001 were signed by the President of the Senate in open session. The bills will be enrolled and transmitted to the Governor.

* * *

President Valentine appointed Senators Stephenson, Niederhauser, and Goodfellow to wait upon the Governor and ask if he has any further business to bring before the Senate.

President Valentine appointed Senators Bramble, Jenkins, and McCoy to notify the House of Representatives that the Senate has concluded its business and is ready to adjourn sine die.

Senator Bramble reported the House has been notified that the business of the Senate has concluded and the Senate is ready to adjourn sine die.

Senator Stephenson reported that his committee had notified the Governor. The Governor asked that the committee convey to the Senate that he has no further business to bring before the legislature.

On motion of Senator Knudson and at 7:40 p.m., the Senate adjourned sine die.

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